

MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (No. 05-01r)

Subject

Initiative petition for constitutional amendment from Steven L. Reed regarding Technology Parks. (Received February 24, 2005)

Date

March 16, 2005

Description

This initiative petition would amend Article IV of the Missouri Constitution by amending Section 36(a) to provide a statewide sales tax of one-tenth of one percent. This tax is to be imposed for one year. The proceeds from the tax are to be used by the Department of Economic Development for the promotion and development of one or more "Technology Parks" in southwest Missouri. The amendment is to be voted on in November 2006.

Public comments and other input

The State Auditor's Office received input from the Department of Revenue.

Assumptions

The Missouri Department of Revenue reports that a one-tenth of one percent statewide sales tax generated \$74.8 million in fiscal year 2004. Assuming a two percent yearly growth rate, (based upon the average growth in sales tax revenues for the past five years) a one-tenth of one percent statewide sales tax will generate approximately \$79.4 million in 2007.

Officials from the Missouri Department of Revenue indicated minimal programming costs that would be absorbed by the agency. They also indicated that a notification letter would be mailed at the inception and conclusion of the one year tax. The cost associated with the notifications would be approximately \$111,000.

Fiscal Note Summary

This proposed constitutional amendment will impose an additional sales tax of one-tenth of one percent for one year. The additional revenues of approximately \$79 million will be used for the promotion and development of one or more Technology Parks in southwest Missouri.